

The complaint

Mr I complains that Revolut Ltd hasn't protected him from losing money he paid to one of Revolut's customers as a result of fraud.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, Mr I has explained that in September and October 2022, as a result of fraud, he made ten payments totalling £17,587.10 to this account held by a third party with Revolut.

Mr I subsequently thought he'd been defrauded and got in touch with Revolut. Of the ten payments sent to this account held by a third party with Revolut: Mr I sent nine of them from his own Revolut account; Mr I sent one of them from his account with a third-party bank "B". Mr I was fortunately able to obtain a refund of the payment (£750) he sent from B, taking his net loss from these particular payments to £16,837.10.

Ultimately, Revolut didn't reimburse Mr I these lost funds, and Mr I referred complaints about Revolut to us: one focused on Revolut's role as Mr I's sending payment service provider ("PSP"), and one focused on Revolut's role as the receiving PSP. A different Ombudsman here issued a final decision in February 2024 focused on Revolut's role as the sending PSP, not upholding the complaint. This case here now concerns Revolut's role as the receiving PSP. As our Investigator couldn't resolve this matter informally, this case has been passed to me for a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Let me say, first of all, I'm sorry if Mr I has been the victim of fraud. I sympathise and I understand why he thinks it's unfair he should bear the loss. Ultimately, however, if Mr I was defrauded, he has suffered his loss because of a fraudster. I can't reasonably ask Revolut to reimburse losses that resulted from the criminal actions of third parties unless its acts or omissions unfairly resulted in Mr I's loss. So what I have to decide is whether or not Revolut reasonably did enough to prevent, or respond to, the alleged authorised push payment (APP) fraud.

Revolut has shared relevant information with this service in confidence to allow us to discharge our investigatory functions and has provided that which is necessary for the determination of this complaint. But I'm also limited to how much of this I can share for the same reasons as Revolut. But I'd like to assure Mr I that I've carefully reviewed everything before reaching my decision.

I appreciate Mr I may feel Revolut should refund his loss as it allowed a fraudster to open and operate an account. But an account later found to have been utilised to misappropriate funds doesn't automatically entitle the payer (victim) to a refund nor does it mean that the

recipient PSP unreasonably failed to prevent the loss. What I need to consider is whether at the time of opening the account Revolut ought reasonably to have known that the account being opened would later be used fraudulently. And in the circumstances of this complaint, I'm satisfied there wouldn't have been anything at the time that I think reasonably could've alerted Revolut that the account it was opening would later be used to misappropriate funds. So, I'm satisfied it didn't miss an opportunity to prevent the fraud when opening the account.

I've also considered whether there was anything prior to when Revolut was notified Mr I had been scammed that ought to have alerted Revolut to the possibility of fraud. But I'm satisfied from what I've seen that Revolut was monitoring the account and that there wasn't anything sufficiently of concern such that I could fairly say Revolut unreasonably missed an opportunity to prevent Mr I's loss here either.

I'm also satisfied having seen account statements that by the time Revolut was told that Mr I's payments had been made as the result of fraud, there weren't any available funds for Revolut to recover. So I'm satisfied Revolut's acts or omissions when it was notified of the fraud were not the cause of Mr I's loss.

I understand Mr I will be disappointed, and I've taken on board everything he's said. However, for the reasons I've explained, I don't think Revolut unreasonably missed an opportunity to either prevent the alleged fraud or to have recovered the funds. So I don't uphold this complaint.

My final decision

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 16 October 2024.

Neil Bridge
Ombudsman